

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1928

March 18, 2011

SUMMARY OF BILL: Requires food containing more than one-tenth of a percent of the weight of any food derived in whole or in part from genetically engineered micro-organisms, plants, or livestock to be labeled “genetically engineered” on the display panel. Classifies attaching a misleading label on genetically engineered food as an unfair or deceptive act under the Consumer Protection Act, a Class B misdemeanor.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$332,800/FY11-12
\$151,500/FY12-13 and Subsequent Years**

Assumptions:

- According to the Department of Agriculture (TDOA), the Department will implement a sampling program to ensure compliance with labeling requirements. Fifty samples at an estimated cost of \$3.75 per sample will be tested each week. The cost for laboratory supplies is \$20 per sample. As a result, the recurring increase to state expenditures will be \$61,750 [(\$3.75 per sample + \$20 lab supplies per sample) x 50 samples x 52 weeks].
- TDOA will hire one additional Chemist 2 position, which will result in a recurring increase in state expenditures of \$47,801 (\$35,408 salary + \$12,393 benefits).
- TDOA will hire one additional part-time Food and Dairy Inspector 2 position. It is estimated that the Inspector 2 will work 800 hours each year at a cost of \$15.96 per hour. The result is a recurring increase in state expenditures of \$12,768 (800 hours x \$15.96).
- TDOA will incur travel and communications costs for the two new positions. The result will be a recurring increase in state expenditures of \$9,000 (\$7,000 travel + \$2,000 communications).
- According to TDOA, the purchase of equipment necessary for product testing will result in a one-time increase in state expenditures of \$201,500. The maintenance contracts for the equipment will result in a recurring increase in state expenditures of \$20,150.
- The increase in state expenditures for FY11-12 will be \$332,819 (\$201,500 + \$61,750 + \$47,801 + \$12,768 + \$9,000); the recurring increase in state expenditures will be \$151,469 (\$20,150 + \$61,750 + \$47,801 + \$12,768 + \$9,000) beginning in FY12-13.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes, and costs collected. These expenditures and revenue are estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh